

REV. 11/98  
For A Small Entity

Docket No. eRug-3

Applicants : Rahim Amidhozour et al.  
For : METHODS AND APPARATUS FOR FACILITATING  
ELECTRONIC COMMERCE IN AREA RUGS

EXPRESS MAIL CERTIFICATION

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Date of Deposit November 19, 1999

I hereby certify that this transmittal letter and the other papers and fees identified in this transmittal letter as being transmitted herewith are being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. § 1.10 on the date indicated above and are addressed to the Hon. Assistant Commissioner for Patents, Washington, D.C. 20231.

  
Lily Jiang

Hon. Assistant Commissioner  
for Patents  
Washington, D.C. 20231

TRANSMITTAL LETTER FOR  
ORIGINAL PATENT APPLICATION

Sir:

Transmitted herewith for filing are the  
[X] specification; [X] claims; [X] abstract; [X] declaration;  
[X] power of attorney, for the above-identified patent  
application.

Also transmitted herewith are:

[X] 6 sheets of:

[X] Formal drawings.

[ ] Informal drawings. Formal drawings will be filed  
during the pendency of this application.

11/19/99  
09/44056  
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c7132 U.S. PTO

[ ] Certified copy(ies) of application(s)

(country)	(appln. no.)	(filed)
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from which priority is claimed.

[X] An assignment of the invention to eRugGallery.com, 837 Industrial Road, Suite A, San Carlos, California 94070.

[X] A check in the amount of \$40.00 to cover the recording fee.

[ ] Please charge \$40.00 to Deposit Account No. 06-1075 in payment of the recording fee. A duplicate copy of this transmittal letter is transmitted herewith.

[ ] An associate power of attorney.

[X] A Verified Statement Claiming Small Entity Status.

The filing fee has been calculated as shown below:

FOR	NUMBER FILED	NUMBER EXTRA	RATE	FEE
BASIC FEE				\$380.00
TOTAL CLAIMS	23	- 20 = 3	X \$ 9 =	\$27.00
INDEPENDENT CLAIMS	2	- 3 = 0	X \$ 39 =	\$0.00
[ ] MULTIPLE DEPENDENT CLAIMS			+ \$130 =	\$
TOTAL				<u>\$ 407.00</u>

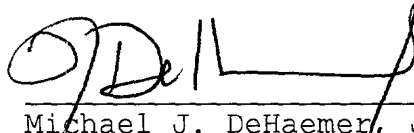
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[ ] This application is being filed unaccompanied by a filing fee. The appropriate filing fee will be paid in response to a Notice to File Missing Parts, pursuant to 37 C.F.R. § 1.53(d).

[X] The Commissioner is hereby authorized to charge payment of any additional filing fees required under 37 C.F.R. § 1.16, in connection with the paper(s) transmitted herewith, or credit any overpayment of same, to deposit Account No. 06-1075. A duplicate copy of this transmittal letter is transmitted herewith.

[ ] Amend the specification by inserting before the first line the sentence: -- This is a [ ] continuation-in-part, of application Serial No.: \_\_\_\_\_, filed  
entitled \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

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 Serial or Patent No.: To Be Assigned Docket No.: eRug-3  
 Filed or Issued: Herewith

For: METHODS AND APPARATUS FOR FACILITATING ELECTRONIC  
 COMMERCE IN AREA RUGS

VERIFIED STATEMENT (DECLARATION) CLAIMING SMALL ENTITY STATUS  
 (37 C.F.R. 1.9(f) AND 1.27(c)) - SMALL BUSINESS CONCERN

I hereby declare that I am:

- ☐ The owner of the small business concern identified below:  
☒ An official of the small business concern empowered to act on  
 behalf of the concern identified below:

NAME OF CONCERN: eRugGallery.com  
 ADDRESS OF CONCERN 837 Industrial Road, Suite A  
San Carlos, California 94070

I hereby declare that the above identified small business concern qualifies as a small business concern as defined in 13 C.F.R. 121.3-18, and reproduced in 37 C.F.R. 1.9(d), for purposes of paying reduced fees under Section 41(a) and (b) of Title 35, United States Code, in that the number of employees of the concern, including those of its affiliates, does not exceed 500 persons. For purposes of this statement, (1) the number of employees of the business concern is the average over the previous fiscal year of the concern of the persons employed on a full-time, part-time or temporary basis during each of the pay periods of the fiscal year, and (2) concerns are affiliates of each other when either, directly or indirectly, one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both.

I hereby declare that rights under contract or law have been conveyed to and remain with the small business concern identified above with regard to the invention, entitled METHODS AND APPARATUS FOR FACILITATING ELECTRONIC COMMERCE IN AREA RUGS by inventors Rahim Amidhozour et al. described in:

- ☒ The specification filed herewith.  
☐ Application Serial No. \_\_\_\_\_, filed \_\_\_\_\_.  
☐ Patent No. \_\_\_\_\_, issued \_\_\_\_\_.

If the rights held by the above identified small business concern are not exclusive, each individual, concern or organization having rights to the

invention is listed below\* and no rights to the invention are held by any person, other than the inventor, who could not qualify as a small business concern under 37 C.F.R. 1.9(d) or by any concern which would not qualify as a small business concern under 37 C.F.R. 1.9(d) or a nonprofit organization under 37 C.F.R. 1.9(e). \*NOTE: Separate verified statements are required from each named person, concern or organization having rights to the invention averring to their status as small entities. (37 C.F.R. 1.27)

NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
☐ INDIVIDUAL ☐ SMALL BUSINESS CONCERN ☐ NONPROFIT ORGANIZATION

NAME \_\_\_\_\_  
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I acknowledge the duty to file, in this application or patent, notification of any change in status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate. (37 C.F.R. 1.28(b))

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application, any patent issuing thereon, or any patent to which this verified statement is directed.

NAME OF PERSON SIGNING \_\_\_\_\_ Rahim Amidhoozour  
TITLE OF PERSON OTHER THAN OWNER \_\_\_\_\_ President and CEO  
ADDRESS OF PERSON SIGNING \_\_\_\_\_ 837 Industrial Road, Suite A  
\_\_\_\_\_ San Carlos, California 9407

SIGNATURE  DATE 11/18/1999

METHODS AND APPARATUS FOR  
FACILITATING ELECTRONIC  
COMMERCE IN AREA RUGS

Field of the Invention

5           The present invention generally relates to methods and apparatus for facilitating electronic commerce in area rugs, and more particularly to the creation of a virtual marketplace for handmade rugs, and rugs in the style of handmade rugs.

10   Background of the Invention

          Unlike the market for commodity items, the market for handmade rugs tends to be small and fragmented. For example, in even a small community there may be dozens of places to purchase a pair of  
15 blue jeans, whereas even the largest cities may have only a relatively small number of places to buy a handmade rug. The small size and fragmented nature of the market for handmade rugs leads to slow inventory turnover rates and correspondingly high retail markups.

20           Handmade rugs are principally produced in China, Turkey, Pakistan, India, Nepal, and Iran and exported to one of three primary distribution hubs: New York, United States; London, United Kingdom; or Hamburg, Germany. From there, rugs move through a wide

variety of international wholesale distribution channels to the retail channels. The retail channels include specialty rug stores, department stores, national chain stores, furniture stores, and home improvement centers. In the United States, there are over 220 importers and about 4,600 retail locations offering handmade rugs.

It is estimated that retail sales of new handmade rugs are nearly \$1 billion annually in the United States, while used rug sales are over \$2 billion annually. On a global basis annual sales of new and used handmade rugs approach \$3.4 billion and \$8 billion dollars, respectively. These sales levels are achieved despite the inefficiencies in the handmade rug market place.

Because of the extremely slow inventory turnover rate, rug retailers usually maintain only a small inventory of rugs. According to the Oriental Rug Retailers Association, there are 4,602 locations in the United States that sell handmade rugs, each having an inventory of between 50 and 100 rugs in each size category. Although a rug merchant may have between 1,000 and 2,000 rugs in inventory, it is likely that fewer than 100 rugs will be of any specific size and shape. Even fewer rugs will also have a color or other attribute a potential purchaser, or customer, is seeking. The customer may, therefore, have to visit many merchants to locate a handmade rug compatible with their needs and preferences.

In addition, typical consumers are generally not very knowledgeable about handmade rugs. To make an informed buying decision, a potential purchaser must, therefore, invest considerable time and effort learning about handmade rugs. This may be difficult, because

unlike the many books, magazines, and television shows related to automobiles, consumer electronics, and other commodity items, there are few resources related to handmade rugs. Not only do consumers lack technical  
5 knowledge about handmade rugs, but also they typically do not know what their tastes or preferences in handmade rugs might be.

The burden of educating a customer therefore falls on the rug merchant. The merchant should ensure  
10 that a customer understands the many different aspects of handmade rugs and has seen enough rugs to determine their preferences with respect to handmade rugs. Otherwise, a potential purchaser may not purchase a rug believing it to be over-priced. Or, a customer may  
15 become dissatisfied with a purchase because of an unrealistic expectation about a rug's future value, or because the rug does not match their preferences.

There are additional inefficiencies in the market for handmade rugs. For example, rug  
20 manufacturers, importers, exporters, merchants, and customers often use different terminology to refer to the same characteristic. This lack of a common terminology interferes with communication and the exchange of information within the handmade rug  
25 marketplace. For example, when a rug is referred to as being Persian it is not clear whether the rug was actually woven in Iran or whether it was woven in India but is of a Persian style of design.

A related problem is the lack of an  
30 equivalent of the Universal Product Code (UPC) system in the rug industry. Lack of a UPC-like system makes it impossible to categorize handmade rugs. As a result, various entities in the rug industry may refer to a rug in literal terms. For example, a rug dealer might



describe a rug on its tag or on an invoice as a "blue, contemporary, Persian-Kashan made of wool." However, it is not clear what about the rug is blue or what Kashan refers to.

5           It is also difficult to assess the true value of a handmade rug because no standard means of classification exists. As a result, some insurance companies may not insure handmade rugs. Similarly, financial institutions are generally unwilling to  
10 finance rug purchases because they are unable to accurately appraise the rugs. The handmade rug industry is, therefore, one of the few industries where financing options are few even though average purchases are over \$1,000. Potential purchasers are often faced  
15 with using cash or high-interest credit cards to finance a purchase—even for a fine handmade rug costing over \$100,000.

          Lastly, because the rug industry lacks a standard means of classification, there exists no  
20 universal method of identifying a specific handmade rug. This makes it impossible for various entities within the rug industry to exchange information about a particular rug. At best, two rug dealers may refer to a rug using arbitrarily-assigned, internal product  
25 identification numbers which is cumbersome and prone to errors. For example, in trading among themselves a dealer cannot be sure that a specific rug is being traded, rather than not just a similar rug.

          These inefficiencies in the handmade rug  
30 market have a negative impact on the overall financial performance of the dealers and retailers. Though margins are high, inventory turnover is extremely slow, reducing return on capital.

Even the simple task of viewing rugs is a slow, tedious, and labor-intensive process. Although some rugs may be hung up on a wall or partition, most rugs are stored flat, one on top of another, in stacks  
5 on the floor or on a low platform, so only the rug on top is readily visible. Even though the rug merchant may know where each rug in the inventory is located, it may be necessary to manhandle many rugs to uncover a particular rug for a customer to view.

10 After expending time and effort showing a potential customer many rugs, it may happen that no rug in the merchant's inventory matches the customer's needs. This is undesirable for the customer, since it means searching through the inventory of yet another  
15 rug dealer--assuming there are other dealers within a reasonable distance. It is equally undesirable for the merchant due to the lost sale.

In view of the foregoing, it would, therefore, be desirable to facilitate the buying and  
20 selling of handmade rugs.

In addition, it would be desirable to educate customers about handmade rugs and to help them discover their taste or preferences in handmade rugs.

It would also be desirable to provide a  
25 standard classification system and terminology for handmade rugs.

It would also be desirable to provide a means of accurately describing and identifying handmade rugs.

In addition, it would be desirable to provide  
30 methods and apparatus for accurately appraising a handmade rug, and to enable the development of markets for insuring and financing handmade rugs.

It would also be desirable to provide methods and apparatus by which a customer may view a large

inventory of rugs without having to visit many individual rug dealers.

It would also be desirable to provide methods and apparatus to assist a rug dealer reduce the effort  
5 required to show rugs to a potential customer.

And it would also be desirable to provide methods and apparatus to reduce the time necessary for a rug buyer and seller to finalize the selection of a rug.

10 Summary of the Invention

In view of the foregoing, it is, therefore, an object of the present invention to facilitate the buying and selling of handmade rugs.

In addition, it is an object of the present  
15 invention to educate customers about handmade rugs and to help them discover their taste or preferences in handmade rugs.

It is another object of the present invention to provide a standard classification system and  
20 terminology for handmade rugs.

It is also an object of the present invention to provide a means of accurately describing and identifying handmade rugs.

In addition, it is object of the present  
25 invention to provide methods and apparatus for accurately appraising a handmade rug, and to enable the development of markets for insuring and financing handmade rugs.

It is another object of the present invention  
30 to provide methods and apparatus by which a customer may view a large inventory of rugs without having to visit many individual rug dealers.

It is also an object of the present invention to provide methods and apparatus to assist a rug dealer reduce the effort required to show rugs to a potential customer.

5 And it is an object of the present invention to provide methods and apparatus to reduce the time necessary for a rug buyer and seller to finalize the selection of a rug.

These and other objects of the present  
10 invention are achieved by providing a unique system of classifying handmade rugs, and by leveraging the capabilities of the Internet to provide an online inventory of handmade rugs available from many disparate sources. Digital images of the rugs in the  
15 inventory are captured at very high resolution and characterized according to a classification system of specific rug attributes. The images enable a user, whether a consumer, customer, merchant, or dealer, to view each rug in detail. Images and attributes of rugs  
20 are cataloged in a database so that the rug inventory may be searched based on desired attributes of a rug or by means of image analysis and correlation tools.

#### Brief Description of the Drawings

The above and other objects and advantages of  
25 the present invention will be apparent upon consideration of the following detailed description taken in conjunction with the accompanying drawings, in which like characters refer to like parts throughout, and in which:

30 FIG. 1 is a representation of the current marketplace for handmade rugs;

FIG. 2 is a representation of the handmade rug marketplace in accordance with the principles of the present invention;

FIG. 3 is a schematic representation of a system for facilitating electronic commerce in handmade rugs;

FIG. 4 shows the exemplary, high-resolution, image capture system of FIG. 3 in more detail;

FIG. 5 is an exemplary product code and classification system for handmade rugs;

FIGS. 6A-C show exemplary layout attributes of handmade rugs in accordance with the principles of the present invention;

FIGS. 7A and 7B show the distribution of rugs by attribute in an exemplary inventory of rugs;

FIG. 8 is an exemplary screen showing a set of representative rugs used in assisting a user to discover their personal preference in handmade rugs

FIGS. 9A and 9B show illustrative simple and advanced attribute-based search forms, respectively; and

FIG. 10 is an illustrative screen showing a build-your-own rug type of search interface.

#### Detailed Description of the Invention

As described in the background of the invention, the market for handmade rugs is highly fragmented. To a rug purchaser, the market appears as a number of merchants 12 and 14 and possibly

individuals 16 endeavoring to sell rugs in their possession. This is shown, for example, in FIG. 1, wherein potential purchaser 11 may consult local rug merchants 12 and 14 to learn about, search for, and  
5 purchase a handmade rug. Potential customer 11 may have to search through the inventories of merchants 12 and 14 before finding a rug to purchase. Besides merchants 12 and 14, potential purchaser 11 may be able to purchase rug 16 from a private individual. However,  
10 purchaser 11 is still faced with the prospect of having to view rugs from many different sources to find a rug that matches their needs and preference.

It may even be possible to view, via the Internet, World Wide Web (web) site 17 containing  
15 images of some or all of the rugs in the inventory of merchant 14. However, the available images are generally of low resolution making them less than adequate for discerning subtle differences between rugs, much less actually making a purchase decision.

20 In accordance with the principles of the present invention, the multimedia capabilities of the Internet are leveraged to facilitate the process of learning about, searching for, finding, and purchasing handmade rugs. As shown in FIG. 2, the present  
25 invention is used to consolidate the rug inventories of merchants 12 and 14, and individual 16 and to display images of consolidated inventory 24 on-line. This enables a potential rug purchaser to go to online web site 22 to quickly learn about handmade rugs, discover  
30 their preference in rugs, search through the consolidated inventory of many rug merchants to find a rug compatible with their preferences and needs, and ultimately to purchase a rug at lower cost.

Images of rugs in the consolidated inventory are obtained from three main sources. Larger rug distributors are provided high resolution, state of the art image capture technology to capture the images of the rugs in their inventory. For example, image capture system 40 of FIG. 3 may be used to obtain a high resolution image of rug 31. As shown in more detail in FIG. 4, camera 41 is modified by replacing the normal camera back with scanback 43. Instead of film, scanback 43 includes a scanner device for capturing a digital image. A suitable scanback for use with the present invention is available from Better Light of Redwood City, California.

Camera 41 is mounted on a gantry (not shown) or otherwise supported over rug 31 and coupled to computer 44. Under the control of computer 44 and camera control unit 45 an image of rug 31 is captured by the scanner device in scanback 43. Image data is transferred from camera 41 to computer 44 for storage and image processing.

Processing may include cropping the image, creating a thumbnail image, format conversion, and compression. This may be done using photo processing software such as Photoshop®, available from Adobe Systems of San Jose, California. Processed rug images are then transmitted to server 32 of FIG. 3 via Internet 34.

The rug images may then be further processed, using, for example, AutoEye available from AutoFX of Birmingham, Alabama to enhance the rug image to more accurately portray the actual characteristics of the rug. Software such as LivePicture available from MGI Software of Richmond Hill, Ontario, Canada or MrSid from LizardTech of Seattle, Washington may be used to

create an image file that supports zooming and panning of the image over a network of computers, such as the Internet.

Preferably, the rug images have sufficient  
5 resolution so that fine detail of the rugs may be seen. For example, the images should contain sufficient detail so that a user may "zoom in," or magnify, an area of the image to inspect a rug for damage and repairs, or to look at the intricate details of the  
10 rug. Although resolutions as low as 480x640 pixels may be sufficient to view some rug details, images having a resolution higher than about 960x1280 pixels are preferred.

A camera setup as shown in FIG. 4 may provide  
15 very high-resolution images of rug 31, enabling a viewer to zoom in on the image to see the finest details of rug 31. However, because an image capture system such as image capture system 40 is expensive, its use is limited to large rug dealers. Smaller rug  
20 retailers may use a professional level digital camera to capture the necessary images for transfer to the consolidated inventory. In FIG. 3, for example, professional digital camera 35 may be used to capture images of the rugs in the inventory of a small rug  
25 merchant. The images may then be transferred to personal computer 36 for Internet transmission to server 32.

Lastly, individuals may use a consumer level digital camera in a manner similar to that of  
30 professional level digital camera 35 of FIG. 3. That is images may be captured using a consumer level digital camera and then transferred over Internet 34 to server 32. Alternatively, individuals may take pictures of their rugs using conventional film camera



37 and have the film images scanned and stored  
digitally on a medium such as floppy disk 38. For  
example, many photo developing laboratories are able to  
store images of photographs on a floppy disk or Kodak®  
5 Photo-CD when the film is developed.

Consumer level digital cameras typically have  
a lower resolution than either image capture system 40  
or professional digital camera 35 of FIG. 3.  
Therefore, it may not be possible to view images at  
10 high magnification to see the fine details of a rug.  
However, multiple images of a rug may be obtained to  
simulate a zoom capability. For example, an individual  
may take multiple pictures of a rug: one image of the  
entire rug, and one or more closeup images showing  
15 repairs or intricate detail. Then, when a user desires  
to see an area of the rug in more detail, one of the  
closeup pictures may be displayed instead of actually  
magnifying the original low-resolution image.

#### Handmade Rug Classification

20 In addition to obtaining a digital image of a  
rug, each rug is classified using a standardized  
classification system describing various  
characteristics of handmade rugs. The traits or  
attributes of handmade rugs include: size, color,  
25 layout, pattern, style, make, pile, weave, foundation,  
knot, category, age, and condition. The attributes are  
shown in the table of FIG. 5 along with an illustrative  
set of values for each attribute

The first attribute is the "size" of the  
30 handmade rug. This refers to the dimensions and shape  
of the rug. Dimensions may range from as little as  
about 2 x 3 ft. to over 13 x 20 ft. The most common  
rug shapes are rectangular, square, round, oval, and

runners. Less frequent shapes include regular polygons and various odd shapes.

The second rug attribute is the colors of the rug. As shown in FIG. 6A, a handmade rug typically includes border area 61. Although the border usually has a number of colors, one color predominates; this is the border color. Central field 62 of rug 63 also may include numerous colors. However, generally, one color predominates the central field. This color is called the background color. Further classification of colors includes whether natural or synthetic dyes were used on the rug yarns.

The overall arrangement of motifs or objects on the surface of a rug is referred to as "layout." Common layouts include all-over, medallion, and one-sided, which are shown in FIGS. 6A-C. The all-over layout of FIG. 6A generally consists of numerous related objects or patterns 64 located throughout central field 62 of rug 63 in a connected or symmetric manner.

The most common layout is the medallion layout. As shown in FIG. 6B, the medallion layout includes central element 65, which serves as a focal point of the rug. Central element 65 typically has an oval, circular, diamond, octagonal, hexagonal, or star shape. In addition, the central design may include flowers, birds, animals, or geometric elements.

In a rug having a one-sided, or one-directional layout, the design can be properly viewed from only one side of the rug. Prayer rugs and pictorial rugs fall into this category. An exemplary one-sided design is shown in FIG. 6C.

Another attribute used to classify handmade rugs is "pattern," which refers to the way lines are

used to form shapes on a rug. Curvilinear patterns are distinguished by their curving lines, spirals, and contour lines. Often the rugs have a floral motif, which may be semi-realistic or abstract. Paisley is a favorite abstract floral motif found in curvilinear patterns.

Geometric patterns are characterized by rectilinear lines and angular shapes. These patterns are common in Caucasian, Turkoman, and Afghan rugs, as well as many Persian and Turkish rugs.

Lastly, a rug incorporating a depiction of people and animals in scenes from human life or history is classified as having a pictorial pattern. These rugs often show a hunting scene or one or more scenes from an epic story. Usually, a pictorial rug has a one-sided layout.

"Style" refers to the set of instructions used to apply character to a rug. From the style of a rug one can determine where the overall design of the rug originated. Main style classifications may include Persian, Chinese, Turkoman, Caucasian, European, Anatolian, Tibetan, Indian, Baluchi, North African, Native American, and Turkestan. Sub-styles may also be included to further distinguish rug styles.

"Pile" is an attribute that refers to the material used for weaving rugs. Common pile materials include wool, silk, cotton, or a combination of wool and silk.

The attribute "weave" refers to the technique used to weave a rug. There are two major weaving techniques: flat and pile. In a flat weave, which is often used in tapestries, the weft is woven through the warp to form the rug's design. In a pile rug, the pile

material is tied or knotted around the warp and weft threads.

"Foundation" refers to the basic structural components of handmade rugs. These components consist  
5 of warp and weft which may be made of either wool, silk, cotton, or a combination of these materials.

Pile-woven, or knotted, rugs are created by knots tied around the warp and weft. "Knot" is another attribute used to classify handmade rugs which refers  
10 to the knot type and density. The two predominant types of knots are asymmetrical and symmetrical. Knot density is the number of knots per unit area, and may range from about 50 to over 1300 knots per square inch.

"Category," another attribute of handmade  
15 rugs, refers to the setting in which a rug is produced. Categories include Nomadic, Village, Workshop, Masterworkshop, or Machined.

"Age" specifies how old a rug is. There are three major time lines: Antique, Semi-antique, and  
20 Contemporary.

The last attribute of a handmade rug is its "condition." Handmade rugs are classified according to their overall condition as Fine, Average, or Worn. The condition attribute also identifies portions of a rug  
25 that may be damaged or have been repaired.

Initially, rug are classified manually based on knowledge and experience. However, as more images and their associated attributes are collected, many of the attributes may be determined automatically using  
30 image analysis and correlation techniques as is described below.

In accordance with the principles of the present invention, the above described system of attributes may be used to accurately describe and

categorize handmade rugs. Furthermore, the value of the attributes may be encoded to create a product code similar to the ubiquitous UPC bar code. To create a UPC-like code, the values of the rug attributes may be  
5 assigned alpha-numerical codes which are concatenated to form a category specific code which may be affixed to a rug.

For example, the size attribute includes the shape of a rug and has possible values of rectangular, runner, square, round, oval, or odd, which may be  
10 assigned codes of 1 through 6, respectively. The size attribute also includes the dimension of a rug which may be encoded as a two digit width (in feet) and a two-digit length (in feet). A code of 10508 would then  
15 indicate a rectangular 5' x 8' rug. An exemplary UPC code in accordance with the principles of the present invention is also shown in FIG. 5.

Advantageously, the encoding described above results in a UPC-like code that it is printable and may  
20 be readily read and interpreted by a human. However, it will be apparent to one of skill in the art that other methods of encoding the attributes of a rug are possible. For example, a binary encoding may be used to reduce storage space or transmission times. Once  
25 the image of a rug has been captured and the rug is categorized it may be added to the rug inventory.

#### The Consolidated Inventory

All of the image, classification data,  
30 appraisal, and other information about each rug is loaded into a consolidated inventory. Preferably, the inventory is stored in a large database, such as databases available from Oracle, of Belmont,

California. Referring back to FIG. 3, the database may be stored on disk memory 33 attached to server 32.

A potential rug purchaser interacts with the database of rug images and data by way of a graphical user interface, such as may be provided by a web browser or similar program. For example, a user may use a web browser on one of computers 37 or 38 to access a web site maintained on server 32 and thereby view the rug images. Among other things, the interface enables the potential customer to learn about handmade rugs in general, to discover their own personal preference in handmade rugs, to search for and view rugs from the consolidated inventory, to assemble a personal gallery of rugs, and to buy or sell a rug.

To enable a user to learn about handmade rugs a hypertext document is provided describing various aspects of handmade rugs, including details about the classification system and corresponding terminology used to describe rugs. Additional topics include information about the geography and people of handmade rug producing regions, the history of handmade rugs, and the tools and techniques used to create a handmade rug. Providing these educational materials facilitates the communication between buyers and sellers of handmade rugs, and helps users better understand other aspects of the present invention.

When shopping for a handmade rug, many consumers are not aware of the many different combinations of color, layout, pattern, and style available in handmade rugs. In accordance with the principles of the present invention, a means of discovering one's preference in handmade rugs is provided. In essence, a small set of rug images is selected such that the selected rugs are representative

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[illegible]

[illegible]

inventory and displayed for the user. An exemplary display is shown in FIG. 8. Depending on the number of rugs in the representative set, more than one screen may be required to display the entire set.

5           Those rugs preferred by the user may be indicate by, for example, clicking on check boxes 81. For example, in FIG. 8, the user has selected rugs 82-84. The user's selections are then analyzed. The attributes of the selected rugs should provide a good  
10 indication of the user's preference in handmade rugs. This gives the user a starting point in looking for a suitable handmade rug.

          Because the consolidated rug inventory is expected to become very large, viewing all, or a large  
15 portion, of the rugs may not be a practical means of searching for a rug. Therefore, in accordance with the principles of the present invention, provisions are included for searching the rug inventory.

          One method of searching the consolidated rug  
20 inventory is to search based on the attributes used to classify the rugs. Using this type of search, a user is presented with an on-line computer form such as simple search form 91 shown in FIG. 9A, or advanced search form 93 shown in FIG. 9B. Values for the  
25 attributes may be selected by the user using text fields 94 or list boxes 95.

          A simple search form only provides options for those attributes typically specified by customers as important factors in making a rug selection. For  
30 example, simple search form 91 of FIG. 9A only includes options for list price, border color, background color, and size. In contrast, advanced search form 93 of FIG. 9B provides options for all of the rug attributes.



The advanced search provides the user with finer control over the search process. For example, a user may run a search specifying values for all rug attributes, or may leave some attributes blank, or set  
5 to a value indicating the user does not know or does not care about the value of the attribute, as shown by list box 97.

In actually performing the search, the attributes may be combined and encoded in the same  
10 format as the UPC-like code described hereinabove. The encoded attributes may then be used as a key to search a similarly encoded index into the consolidated rug inventory. This reduces the effort to perform the search from a thirteen column database query to a  
15 single column database query.

In a preferred embodiment of the invention, the search attributes are weighted according to order of importance. This lets a user specify that some attributes are more important than other attributes.  
20 For example, a user may indicate that they are somewhat flexible about the pattern of a rug, but firm about colors. Default weights are provided for the attributes so that novice or casual users do not have to be concerned with setting the weights. Whereas more  
25 experienced and advanced users may adjust the attribute weights and thereby specify the relative importance of the rug attributes.

In addition to the advanced, form-based search, a text-based search function may be provided to  
30 enable powerful boolean searching capabilities for more experienced users. Such a search capability might then enable a user to submit a query such as:

Layout=Medallion AND (Bkgd=Blue OR Bkgd=Green),

to find rugs having a medallion layout and a background color of either blue or green.

An alternative search interface is to let a user design their desired rug graphically. This  
5 interface provides the user with a blank shape representing the rug and a pallet of tools activated by drag and drop style features, or push button style controls, such as those found in a typical PC-based painting or drawing program. An exemplary interface is  
10 shown in FIG. 10.

The user uses the tools to create an image of a rug having characteristics matching their individual preference. For example, colors may be selected from a pallet of colors and 'poured' onto the  
15 border of a rug. When completed, the rug image is then analyzed to extract the attributes and a search may be performed. Optionally, if a matching rug is not found the user may choose to have a rug custom manufactured according to the rug image.

20 Yet another alternative method of searching the rug inventory is to use image searching. In this type of search, a set of images is chosen from the consolidated rug inventory. The images may be chosen randomly or may be the result of a prior search. The  
25 set of images is displayed and the user selects from the set the rug that is most appealing or desirable.

An image matching program, such as Visual RetrievalWare® available from Excaliber of Vienna, Virginia, is then used to find rugs in the inventory  
30 having an image similar to the selected rug. The results of the search are returned as a new set of images. The user may then select a rug from the new set of images to perform another search. This process is repeated until the user finds a suitable rug.

In one embodiment of the present invention each iteration in the search process is independent of previous searches. However, in another embodiment of the present invention, statistical data is gathered about the selected images to bias the search results. For example, if the user always picks rugs having red borders, then the search can be biased to return mostly rugs with red borders.

Once a search turns up a candidate rug, a user is able to view the images and attributes of the rug in more detail. In viewing the rug images, the user is able to magnify the images and thereby zoom in to see details of the rug which may not be visible when viewing an image of the entire rug. For example, rug details, as well as damaged or repaired areas, may only be visible under high magnification of the affected areas of the rug. A user may select an area of the image, such as by using a mouse or other pointing device, and thereby cause the image of the selected area to be magnified. Alternatively, if the image is a low resolution image, the image may be treated as an image map so that selecting an area of the rug image activates a link to a separate image of the selected area.

Because it may take several sessions for a user to feel confident that a sufficient number of rugs have been viewed, a user may conduct a search over several sessions. Therefore, provisions are included enabling a user to save images and information about selected rugs in a personal rug gallery. This gives the user the ability to share the images with others. For example, an interior designer may put a number of rugs in a personal gallery to be shown to a client. If a search session is interrupted, the personal rug

gallery also gives the user a starting point from which to resume looking for a suitable handmade rug.

Once a suitable rug has been found, the customer may order the rug on-line, using a credit card or electronic funds for the purchase. Alternatively, financing may be provided on-line. This is facilitated by the creation of a large, consolidated inventory of rugs which helps ensure accurate valuation and pricing. Once financing is arranged, the online order is forwarded to the merchant that actually has the rug in stock for drop shipment to either the user, whether a customer or a dealer.

Handmade rugs are not currently individually labeled and tracked. However, in accordance with one aspect of the present invention, rugs may be assigned a unique product identifier (UPI), or serial number. In a preferred embodiment of the present invention, the UPI comprises the 31-character UPC described above followed by a unique 9-digit serial number that is assigned to a rug when it is first appraised and entered into the system of the present invention. Alternatively, a serial number may be based on a manufacturer identification code combined with a manufacturer supplied sequence number.

The UPI may then be included on a label or other device affixed to the rug. Since the average rug has many owners over the course of its life, the UPI enables a merchant to track the ownership of a rug and seek to be the dealer of choice when a particular rug is resold.

In a preferred embodiment of the present invention, the UPI is used to maintain a history of each rug, in addition to the rug attributes discussed above. A user is, therefore, able to look at the

history of each rug. For example, the history may include a list of prior owners, previous prices paid for the rug, repairs made to the rug, or other interesting bits of information that may alter the  
5 value of a rug.

Maintenance of rug histories also enable the development of actuarial data about handmade rugs. For example, data mining techniques may be used to determine how often rugs are damaged or destroyed, as  
10 well as their average 'life expectancy.' This information is necessary to the creation of an efficient market for insuring handmade rugs.

The maintenance of a rug's history also facilitates subsequent resale of the rug. If the rug  
15 is already in the system, it may not need to be imaged again when put up for resale. Furthermore, a buyer of a handmade rug may elect to keep the rug in the available inventory. The rug will then appear to be on the market. This makes a handmade rug a more liquid  
20 asset than was previously possible.

The present invention is therefore useful in facilitating the process of finding a rug suitable for a potential customer. It may be used directly by the customer, as by browsing the web. Alternatively, the  
25 system of the present invention may be used by individual rug merchants. Advantageously, the system enables a merchant to show a potential customer a rug without the manual labor required to search through stacks of rugs in their own inventory. Furthermore,  
30 the invention enables the merchant to show the customer rugs in other merchant's inventories, giving the appearance of a much larger inventory of rugs. In the event the customer desires to purchase a rug that is in another merchant's inventory, the merchant may endeavor

to swap or purchase the rug from the other merchant on behalf of the customer.

### Conclusion

While preferred illustrative embodiments of the present invention are described above, it will be evident to one skilled in the art that various changes and modifications may be made without departing from the invention. For example, 'Machine-made' may be added to the possible values of the "category" attribute so that the system of the present invention may be expanded to include machine-made rugs. Analogously, the methods and apparatus of the present invention may be used for items other than rugs, such as area rugs, works of art, and antique furniture. It is therefore to be understood that the described embodiments are provided for purposes of illustration and not of limitation, and that the appended claims are to cover all such changes and modifications which fall within the true spirit and scope of the invention.

What Is Claimed Is:

1. A method of classifying an area rug, the method comprising:

identifying a set of attributes that characterize area rugs, the attributes including a plurality of the following: size, color, layout, pattern, style, make, pile, weave, foundation, knot, category, age, and condition;

determining possible values for each of the identified attributes;

obtaining an image of the area rug;

inspecting the image;

determining values for the set of attributes based on the inspection; and

associating with the area rug a set of values for each one of the set of identified attributes.

2. The method of claim 1 further comprising storing the image and associated attributes in a database containing a plurality of images and associated attributes.

3. The method of claim 2 wherein the stored images are high-resolution images.

4. The method of claim 3 wherein the images have a resolution high enough to enable a user to zoom in and view the details of a user selected portion of the rug.

5. The method of claim 4 wherein the images have a resolution of greater than about 1000x1500 pixels.

6. The method of claim 1 wherein the steps of inspecting and determining are done manually.

7. The method of claim 2 wherein the steps of inspecting and determining comprise:

searching the database to find a first set of images similar to the image of the rug being classified;

determining a correlation among the attributes associated with the images in the first set images; and

assigning attributes to the image being classified responsive to the determined correlation.

8. The method of claim 2 further comprising assigning a code for each possible value of each attributes.

9. The method of claim 8 further comprising concatenating the codes for the value of each attribute associated with the area rug being classified to create a product code.

10. The method of claim 9 wherein a serial number is combined with the product code to form a unique identifier.

11. The method of claim 10 wherein the product identifier is affixed to the area rug being classified.

12. The method of claim 1 wherein the area rug is a handmade rug and the attributes associated with each handmade rug include size, color, layout,



pattern, style, make, pile, weave, foundation, knot, category, age, and condition.

13. Apparatus for classifying an area rug, the apparatus comprising:

a computer programmed with a database associating an image of a area rug with a predetermined set of attributes that characterize area rugs, wherein each attribute has a value selected from a predetermined list of values, the computer further programmed to:

determine values for each attribute in the predetermined set of attributes; and

associate with the area rug a set of values for each attribute in the predetermined set of attributes.

14. The apparatus of claim 13 wherein the step of determining values for the set of attributes comprises steps of:

displaying the image of the area rug being classified to a user; and

accepting from the user an indication of the values for each attribute in the predetermined set of attributes.

15. The apparatus of claim 13 wherein the step of determining values for the set of attributes comprises steps of:

searching the database for images similar to the image of the area rug being classified;

determining a correlation among values of the attributes associated with each image in the database; and

assigning a value for at least one attribute in the predetermined set of attributes responsive to the determined correlation.

16. The apparatus of claim 13 wherein the stored images are high-resolution images.

17. The apparatus of claim 17 wherein the images have a resolution high enough to enable a user to zoom in and view the details of a user selected portion of the rug.

18. The apparatus of claim 17 wherein the images have a resolution of greater than about 1000x1500 pixels.

19. The apparatus of claim 13 wherein each possible value of each one of the predetermined set of attributes has an associated code, and wherein the computer is further programmed to concatenate the codes corresponding to the attributes associated with the area rug being categorized to form a product code.

20. The apparatus of claim 19 wherein the computer is further programmed to combine a serial number with the product code to form a unique identifier.

21. The apparatus of claim 20 further comprising an output device wherein the computer is programmed to output either the product code or product identifier so that it may be affixed to the rug being classified.

[illegible][illegible]

Abstract of the Disclosure

Methods and apparatus are provided for facilitating the sale and distribution of handmade rugs. High resolution images are obtained of rugs in the inventories of many rug merchants. The rugs are classified based on their age, size, color, condition, layout, pattern, the type of pile and foundation materials, the knot, their overall design, and where they were made. Then the images and attribute data are stored in a database. The database may be searched based on the attributes. Alternatively, searches may be performed graphically.

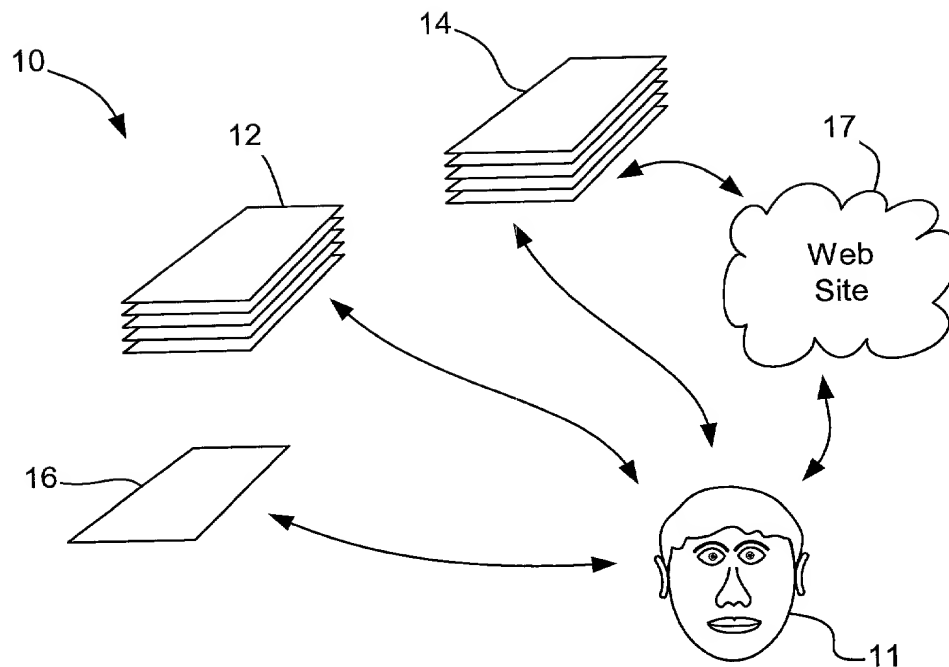


FIG. 1 (Prior art)

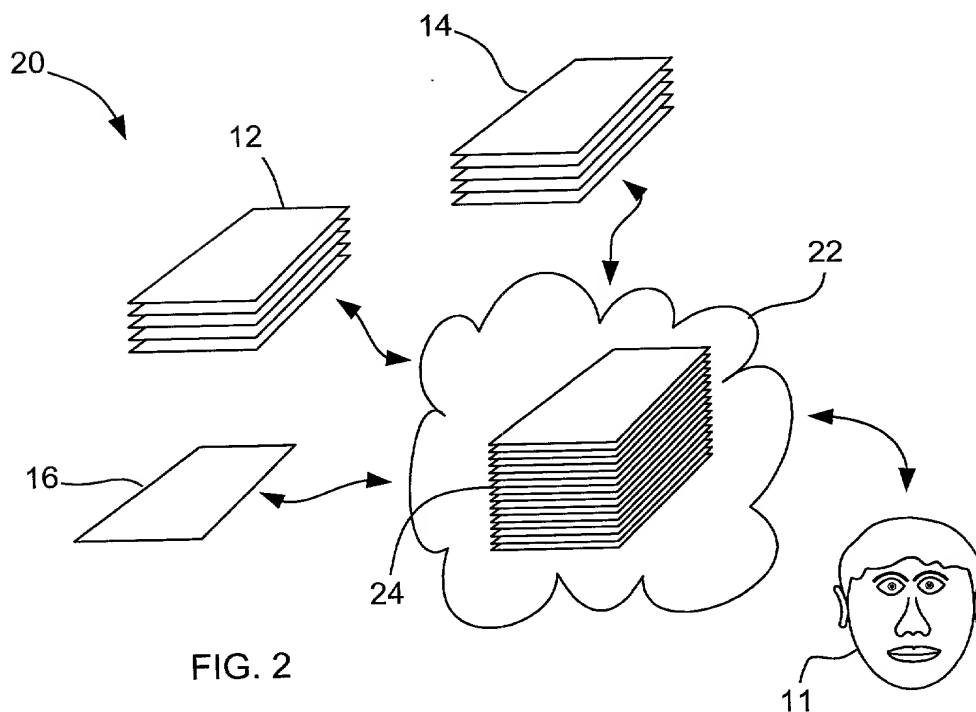


FIG. 2

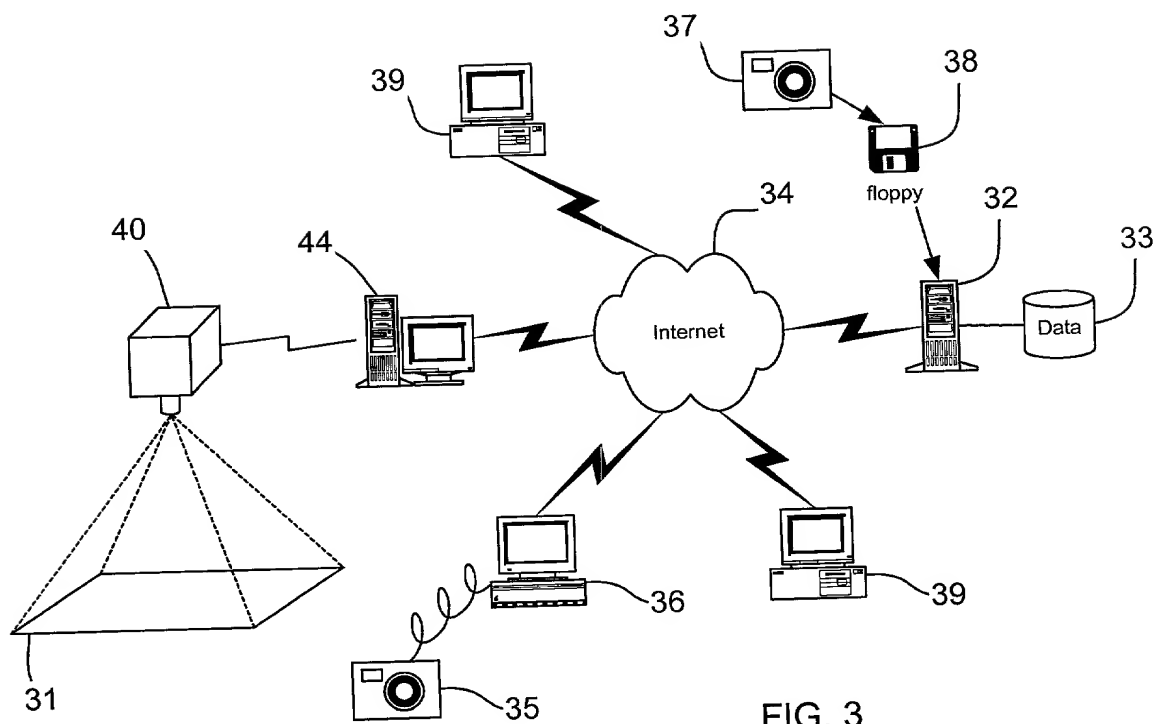


FIG. 3

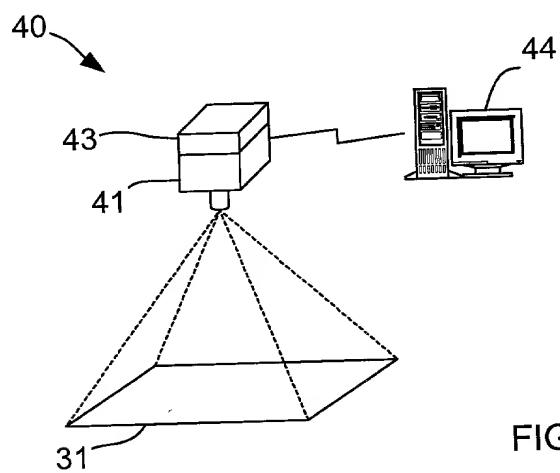


FIG. 4

UPC: 1 0 5 0 8 1 3 1 1 2 1 1 6 1 2 1 1 1 4 2 2 1 0 0 0 1 0 0 0 0 0											
<div>Size</div> <div>Colors</div> <div>Layout</div> <div>Pattern</div> <div>Style</div> <div>Make</div> <div>Pile</div> <div>Condition/Repairs</div> <div>Age</div> <div>Category</div> <div>Knot</div> <div>Foundation</div> <div>Weave</div>											
Size	Shape	1=rectangular, 2=runner, 3=square, 4=round, 5=oval, 6=odd shape									
	Dimension	WWLL, where WW=width and LL=length, both in feet									
Colors	Dye type	1=natural, 2= synthetic, 3=natural-synthetic									
	Background	1=red, 2=blue, 3=beige, 4=ivory, 5=peach, 6=green, 7=brown/camel, 8=grey/silver, 9=gold, A=black, B=rust, C=White, D=yellow, E=orange, F=pink, G=purple									
	Border										
Layout		1=medallion, 2=all-over, 3=one-sided									
Pattern		1=curvilinear, 2=geometric, 3=pictorial									
Style	Main	1=Persian, 2=Chinese, 3=Turkoman, 4=Caucasian, 5=European, 6=Anatolian, 7=Tibetan, 8=Indian, 9=Baluchi, A=North African, B=Native American, C=Turkestan									
	Substyle	A value from 01-99 depending on the major style									
Make		1=Iran, 2=India, 3=China, 4=Pakistan, 5=Turkey, 6=Afghanistan, 7=Armenia/ Azerbaijan/Georgia, 8=Morocco/Algeria/Tunisia. 9=Turkmenistan/Kazakhstan/ Uzbekistan, A=Tibet/Nepal, B=Romania/Bulgaria/Albania, C=Egypt, D=France, E=North America, F=Ireland, G=Spain									
Pile		1=wool, 2=silk, 3=wool-silk, 4=cotton									
Weave		1=pile, 2=flat									
Foundation		1=cotton, 2=wool, 3=silk									
Knot	Type	1=asymmetric, 2=symmetric									
	Density	1= less than 210, 2= 210-329, 3= 330-474, 4=475-649, 5=650-849, 6=850-1064, 7=1065-1319, 8= more than 1319 (all in knots per square inch)									
Category		1=nomadic, 2=village, 3=workshop, 4=master workshop, 5=machined									
Age		1=contemporary, 2=semi-antique, 3=antique									
Condition		<div>cddddddddd, where c is encoded as 1=fine, 2=average, 3=worn, d is encoded as 0=Ok, 1=repaired or damaged, and where position maps to the rug as shown:</div> <div><div>tl, tc, tr, cl, cc, cr, bl, bc, br</div><div><table><tr><td>tl</td><td>tc</td><td>tr</td></tr><tr><td>cl</td><td>cc</td><td>cr</td></tr><tr><td>bl</td><td>bc</td><td>br</td></tr></table></div></div>	tl	tc	tr	cl	cc	cr	bl	bc	br
tl	tc	tr									
cl	cc	cr									
bl	bc	br									

FIG. 5

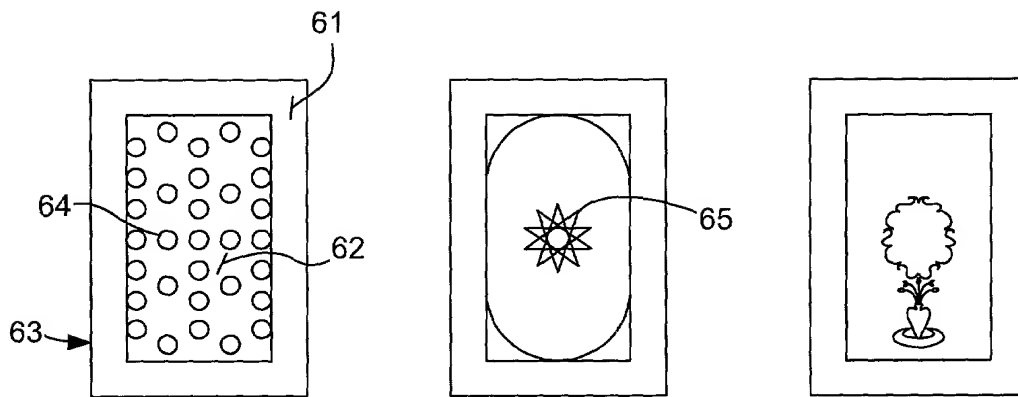


FIG. 6A

FIG. 6B

FIG. 6C

	Curvilinear	Geometric	Pictorial
Medallion	24%	14.8%	--
All-over	24%	14.8%	--
One-sided	12%	7.4%	3%

FIG. 7A

Red	20%	Peach, Green, Brown/Camel, Grey/Silver, Gold, Black	5% each	Rust, White, Yellow, Orange, Pink, Purple	4% each
Blue	10%				
Beige	8%				
Ivory	8%				

FIG. 7B





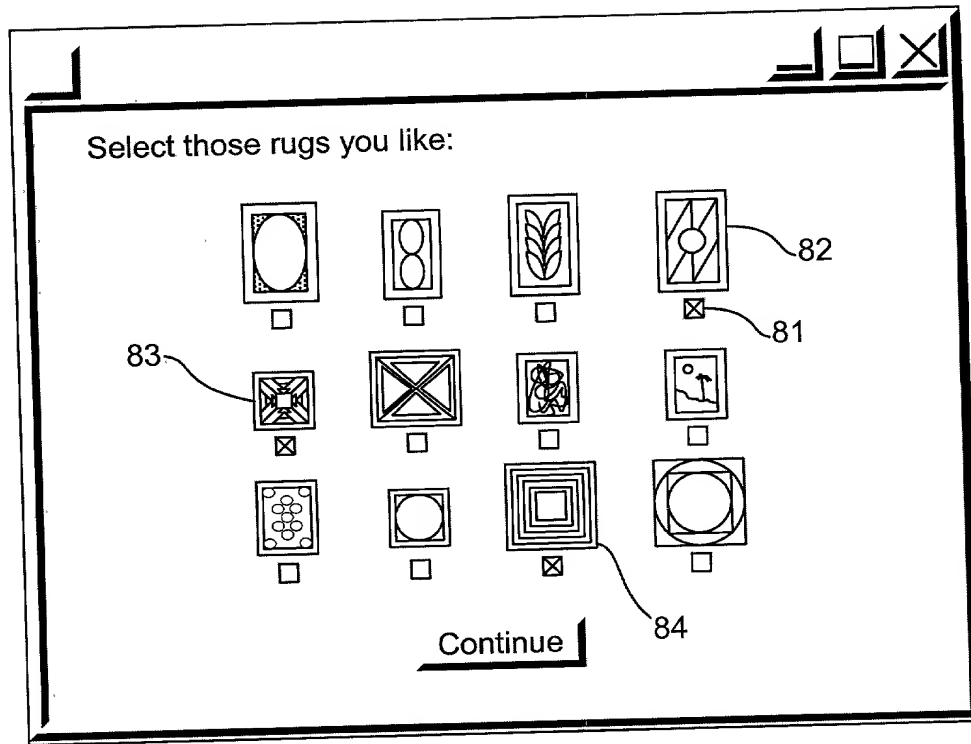


FIG. 8

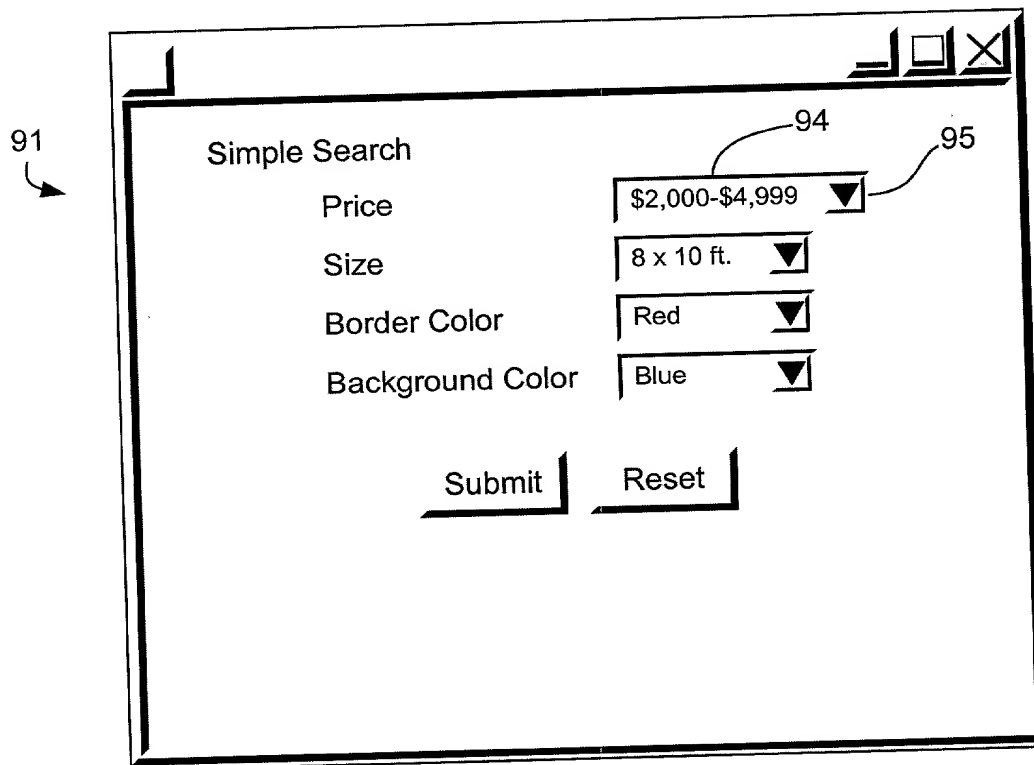


FIG. 9A

93

A window titled '93' containing a form with 14 dropdown menus and two buttons. The dropdown menus are arranged in two columns. The first column contains: Size (8 x 10 ft.), Layout (Medallion), Style (Persian), Border Color (Red), Pile (Wool), Weave (Pile), Category (Don't Care), and Condition (Fine). The second column contains: Shape (Rectangular), Pattern (Geometric), Make (Don't Care), Background Color (Blue), Foundation (Wool), Knot (Symmetric), Price (< \$10,000), and Age (Antique). At the bottom of the window are two buttons: 'Submit' and 'Reset'. A label '97' points to the 'Make' dropdown menu.

Size	8 x 10 ft.	Shape	Rectangular
Layout	Medallion	Pattern	Geometric
Style	Persian	Make	Don't Care
Border Color	Red	Background Color	Blue
Pile	Wool	Foundation	Wool
Weave	Pile	Knot	Symmetric
Category	Don't Care	Price	< \$10,000
Condition	Fine	Age	Antique

Submit Reset

FIG. 9B

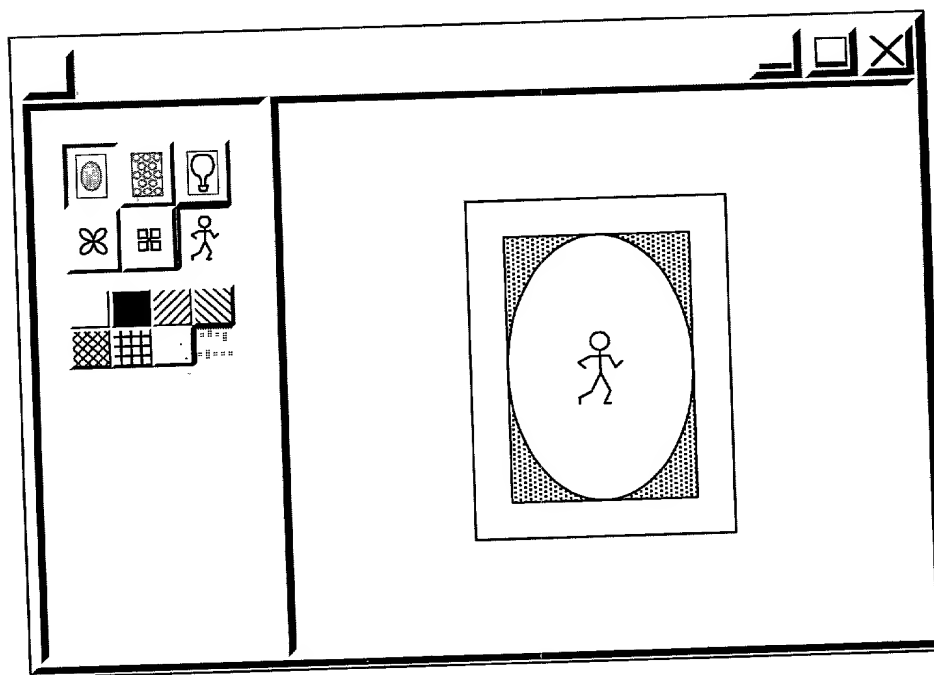


FIG. 10

eRug-3

**DECLARATION AND POWER OF ATTORNEY  
FOR PATENT APPLICATION**

As a below named inventor, I hereby declare that:

My residence, post office address and citizenship are as stated below next to my name;

I believe I am the original, first and sole inventor (if only one name is listed below) or an original, first and joint inventor (if plural names are listed below) of the subject matter which is claimed and for which a patent is sought on the invention entitled:

METHODS AND APPARATUS FOR FACILITATING  
ELECTRONIC COMMERCE IN AREA RUGS

the specification of which

(check ☒ [X] is attached hereto  
one)

[ ] was filed on \_\_\_\_\_ as  
Application Serial No. \_\_\_\_\_  
and was amended on \_\_\_\_\_  
(if applicable)

I hereby state that I have reviewed and understand the contents of the above-identified specification, including the claims, as amended by any amendment referred to above.

I do not know and do not believe that the invention was ever patented or described in any printed publication in any country before my or our invention thereof or more than one year prior to this application.

I do not know and do not believe that the invention was in public use or on sale in the United States of America more than one year prior to this application.

I acknowledge the duty to disclose to the United States Patent and Trademark Office all information known by me to be material to patentability as defined in Title 37, Code of Federal Regulations, § 1.56.

I hereby claim priority benefits under Title 35, United States Code, § 119 of any foreign application(s) for patent or inventor's certificate or provisional applications filed under 35 U.S.C. § 111(b) listed below and have also identified below

any foreign application for patent, inventor's certificate or provisional application having a filing date before that of the application on which priority is claimed:

Prior Foreign or Provisional Application(s)

			<u>Priority Claimed</u>	
<u>(Number)</u>	<u>(Country)</u>	<u>(Day/Month/Year Filed)</u>	<u>[ ]</u> Yes	<u>[ ]</u> No
<u>(Number)</u>	<u>(Country)</u>	<u>(Day/Month/Year Filed)</u>	<u>[ ]</u> Yes	<u>[ ]</u> No

I hereby claim the benefit under Title 35, United States Code, § 120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, § 112, I acknowledge the duty to disclose to the United States Patent and Trademark Office all information known by me to be material to patentability as defined in Title 37, Code of Federal Regulations, § 1.56 which became available between the filing date of the prior application and the national or PCT international filing date of this application:

<u>(Application Serial No.)</u>	<u>(Filing Date)</u>	<u>(Status) (patented, pending, abandoned)</u>
<u>(Application Serial No.)</u>	<u>(Filing Date)</u>	<u>(Status) (patented, pending, abandoned)</u>

As a named inventor, I hereby appoint the following attorneys or agents to prosecute this application and transact all business in the United States Patent and Trademark Office connected therewith:

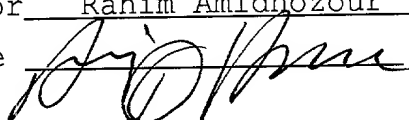
<u>Nicola A. Pisano, Esq. - Reg. No. 34,408</u>
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<u>Christopher J. Frerking - Reg. No. 42,557</u>

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New York, New York 10020

Direct telephone calls to: Michael J. DeHaemer, Jr.  
(650) 617-4000

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

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First joint inventor's signature  11/19/1999  
Date

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